

## Message Text

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ACTION EUR-25

INFO OCT-01 IO-14 ISO-00 SWF-02 AID-20 CEA-02 CIAE-00

COME-00 EB-11 FRB-02 INR-10 NSAE-00 RSC-01 CIEP-02

SP-03 STR-08 TRSE-00 LAB-06 SIL-01 SAM-01 OMB-01

SCI-06 FEA-02 INT-08 TAR-02 PA-04 PRS-01 USIA-15

DRC-01 /149 W

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R 091618Z MAY 74 ZEL  
FM AMEMBASSY VIENNA  
TO SECSTATE WASHDC 2713  
INFO AMEMBASSY BELGRADE  
AMEMBASSY BERN  
AMEMBASSY HELSINKI  
AMEMBASSY LISBON  
AMEMBASSY OSLO  
AMEMBASSY REYKJAVIK  
AMEMBASSY STOCKHOLM  
USMISSION EC BRUSSELS  
USMISSION OECD PARIS  
USMISSION GENEVA  
AMEMBASSY MADRID  
AMEMBASSY BONN  
AMEMBASSY LONDON

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(CORRECTED COPY -- BONN AND LONDON ADDED AS ADDRESSEES)

E. O. 11652: N/A

TAGS: EGEN,EFTA, EEC

SUBJECT: EFTA SECRETARY GENERAL COMMENTS ON STATE OF  
EUROPEAN INTEGRATION

SUMMARY. IN LECTURE BEFORE DONAUERUOPAEISCHES INSTITUT  
VIENNA ON MAY 7, EFTA SECRETARY GENERAL BENGT RABAEUS SPOKE  
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ABOUT "EFTA AND THE CURRENT STATUS OF EUROPEAN INTEGRATION".

OF IMMEDIATE INTEREST TO US WERE HIS REMARKS CONCERNING THE LIBERALIZATION OF CURRENT RIGID RULES OF ORIGIN IN EC/EFTA TRADE. EFTA WILL CONTINUE TO PRESS FOR LESS STRINGENT ORIGIN REQUIREMENTS, HE SAID. END SUMMARY.

1. IN HIS DISCOURSE ON PAST PERFORMANCE AND FUTURE TASKS OF EFTA, RABAEUS POINTED OUT EFTA HAD PROVED EFFICACY OF FREE TRADE AGREEMENTS BASED ON RULES OF ORIGIN. HE REGRETTED THAT LIBERAL EFTA R/O WERE REPLACED BY FAR MORE RIGID SYSTEM INSISTED UPON BY EC. LIBERALIZATION OF CURRENT R/O IS ONE OF PRIMARY GOALS OF EFTA, HE SAID, AND THERE IS HOPE THAT EC CAN BE PERSUADED TO ADOPT LESS STRINGENT ORIGIN REQUIREMENTS.

2. RABAEUS EMPHASIZED NO PLANS EXIST FOR FURTHER EXPANSION OF EFTA. ADMISSION OR ASSOCIATION OF YUGOSLAVIA NOT UNDER CONSIDERATION ALTHOUGH COUNTRY HAS OBSERVER STATUS IN EFTA COMMITTEES AND WORKING PARTIES. IF SPAIN CONCLUDES ASSOCIATION AGREEMENT WITH EC, EFTA MEMBERS WILL EXAMINE POSSIBILITIES FOR AVOIDING DISCRIMINATION IN SPANISH MARKET. HOWEVER, FULL MEMBERSHIP IN EFTA OUT OF QUESTION, RABAEUS STATED.

3. AFTER COMPLETION OF WEST EUROPEAN FREE TRADE AREA IN MID-1977, RABAEUS EXPECTS INCREASED INTEREST FROM EAST EUROPEAN COUNTRIES IN CONCLUDING SUITABLE TRADE AGREEMENTS WITH INTEGRATION AREA. EFTA MAY BE INSTRUMENTAL, IN RABAEUS' OPINION, IN CREATING BASIS FOR EXPANDING TRADE BETWEEN EAST AND WEST.

4. SECRETARY GENERAL OUTLINED FUTURE TASKS OF EFTA AS FOLLOWS:

- COOPERATION IN INTERNATIONAL FORUMS CONCERNED WITH INFLATION, MONETARY, ENERGY, AND ENVIRONMENTAL PROBLEMS;
- REMOVAL OF NON-TARIF BARRIES INCLUDING THE HARMONIZATION OF NATIONAL TECHNICAL STANDARDS, TESTING PROCEDURES, AND GOVERNMENT PURCHASING RULES;
- COORDINATION OF ALL ACTIVITIES LEADING TO GRADUAL ESTABLISHMENT OF FREE TRADE AREA INCLUDING EFTA AND EC.

5. LECTURE ATTENDED BY TRADE MINISTER STARIBACHER, WHO PARTICIPATES IN EFTA MINISTERIAL MEETING IN GENEVA ON MAY 9.

HUMES

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**TAGS:** EGEN, EFTA, EEC, (RABAEUS, BENGST)  
**To:** STATE  
**Type:** TE  
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